

**REMARKS**

Applicants thank the Examiner for the courtesy of a telephonic interview on February 13, 2008. Applicants' representative James J. Barta, Jr. discussed proposed amendments to claims 1 and 6 with the Examiner in view of the cited references. The Examiner indicated that he understood the invention, and that further search and/or consideration might be necessary. No demonstration was given, no agreement on allowable subject matter was reached, and no exhibit was shown.

Applicants have thoroughly considered the Examiner's remarks in the November 30, 2007 Office Action. Claims 1-19 stand rejected. Applicants have amended claims 1 and 6 in this Amendment B. Claims 20-22 are new, although no new matter has been added. Applicants respectfully request reconsideration of the claims as amended and in view of the following remarks.

To advance prosecution, the Examiner is invited and encouraged to telephone the undersigned to discuss any matters relating to the prosecution of the present application.

**I. Rejection of Claims 1-18 Under 35 U.S.C. § 103(a)**

Claims 1-18 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,267,760 to Walker et al. ("Walker") in view of U.S. Patent No. 7,181,416 to Arias et al. ("Arias"). Applicants disagree, but have amended independent claim 1 for clarity.

Walker discloses a single point-of-sale terminal that generates a lottery ticket and performs merchandise transactions. The system of Walker eliminates the need for a

separate lottery ticket system and terminal, which saves checkout counter space. Arias discloses a transaction terminal for processing credits and debits and for printing an authorization code.

In contrast, claim 1 in the present application recites receiving data identified by machine-readable means printed on a ticket, wherein the machine-readable means corresponds to bet combinations selected by a player and printed on the ticket prior to the receiving. The received data is used to activate the ticket. For example, as recited in dependent claim 21, the bet combination and ticket printing occur at a printer location, while the receiving and activation occur at a point-of-sale terminal. With the present application, no additional in-lane terminal or lottery printer is required.

This is completely different from the system taught by the Walker reference, in which a single terminal performs both the bet combination selection and sale of the lottery ticket. In fact, Walker teaches away from the present application by identifying problems with existing two-terminal systems and by disclosing only a single-terminal solution to the problem (see Walker, col. 2).

The present application represents an improvement over systems such as described by Walker. Systems such as Walker rely on an insecure and low quality paper medium (e.g., standard cash register paper) for printing the lottery tickets. This allows recreation of falsified tickets based on information in the point-of-sale terminal. Further, any encrypting or decrypting of data requires the encryption key to reside at the point-of-sale terminal, which could be fraudulently obtained to both create and authenticate fraudulent tickets. Additionally,

at least because of these limitations, the ticket of Walker is not a verifiable bearer's bond ticket.

Arias fails to correct the deficiencies of Walker. For example, Arias teaches a single transaction processor for performing various transactions and printing authorization codes on a receipt.

Accordingly, the cited art including Walker and Arias fails to teach or suggest the method as recited in claim 1. As such, Applicants request that the Examiner remove the rejection of claims 1-18 in view of Walker and Arias.

## **II. Rejection of Claim 19 under 35 U.S.C. § 103(a)**

Claim 19 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,267,760 to Walker et al. ("Walker") in view of U.S. Patent No. 7,181,416 to Arias et al. ("Arias") and further in view of U.S. Patent Publication 20024/0049427. Applicants disagree. Claim 19 depends from, and further limits, independent claim 1. Applicants submit that claim 19 is patentable for at least the same reasons that independent claim 1 as amended is patentable. None of the cited art, alone or in combination, teaches or suggests all the limitations of claim 19. Accordingly, Applicants request that the rejection of claim 19 be removed.

Claims 20-22 have been added. None of the cited art teaches or suggests the limitations of any of claims 20-22. Applicants submit that claims 20-22 are allowable for at least the reasons identified above.

**Conclusion**

It is felt that a full and complete response has been made to the Office action and, as such, places the application in condition for allowance. Such allowance is hereby respectfully requested.

Although the prior art made of record and not relied upon may be considered pertinent to the disclosure, none of these references anticipates or makes obvious the recited aspects of the invention. The fact that Applicants may not have specifically traversed any particular assertion by the Office should not be construed as indicating Applicants' agreement therewith.

The Commissioner is authorized to charge Deposit Account No. 012-384 for any fees incurred during the entire pendency of this application.

Respectfully submitted,

/James J. Barta, Jr./

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